(c) and (d) It would be observed from the above particulars that the communal situation in the country since July, 1987 has comparatively been peaceful.

For maintaining communal peace and amity, material support in terms of paramilitary forces and equipment is provided to the State Governments as and when occasion arises or demands are made to ensure them to effectively manage and control the riot situation on ground. Further the Central Government has circulated a set of guidelines to the State Governments to help them manage communal violence and restore as well as re-inforce communal harmony.

Apart from the above, from time to time the National Integration Council has been deliberating on the long term measures for maintaining communal harmony. The report of the Sub-Group of the Standing Committee of the National Integration Council which makes some useful suggestions for strengthening national integration and communal harmony has been commended to the State Governments.

Lessons have been drawn from the recent riots e.g. the Meerut (U.P.) and based upon this experience a fresh set of guidelines has been circulated to the State Governments on 26th February, 1988.

Balance of payment position

1562. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as the balance of payment position is under strain, prices are likely to rise further; and

(b) if so, what corrective steps Government have taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) India's balance of payments has been affected by a number of adverse medium-term factors like deceleration in rate of growth of indigenous crude oil production, protectionist tendencies in international trade, bunching of repayment obligations on past borrowings, unfavourable climate for concessional assistance, etc. The severe country-wide drought has also adversely affected the balance of payments during 1987-88. However, the balance of payment position is manageable. Prices have also remained under pressure because of the unprecedented drought resulting in shortfall of many essential commodities.

(b) Government has taken a number of measures to increase exports of goods and services and curb imports of non-essential items. Measures to encourage exports and curb imports include, an appropriate policy framework conducive to exports, liberal industrial policy for capacity expansion for exports, easy access to imported raw material and capital goods for export production and a number of fiscal and monetary incentives, schemes to encourage tourism, reduction in imports of bulk items by increased domestic production, curbing consumption of petroleum products, and discouraging imports of non-priority items. Similarly, Government has intensified anti-inflationary measures which include steps to increase production, maintain supplies of essential commodities through Public Distribution System and check on growth in demand through suitable monetary and fiscal policy. Both the balance of payments and price situation are being closely monitored.

Import of Cotton

1563. SHRI RAJNI RANJAN SAHU: Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to import cotton in order to provide cheap yarn to handloom and textile industry; and

(b) if so, what are the details of the quantity of cotton to be imported and the value thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Government has not taken any decision to import cotton.

(b) Does not arise.